

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 9/30/2008

11/4/2008

	As of <u>9-30-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 587,667,629	\$ 656,594,517
INTERNATIONAL EQUITIES	303,899,778	381,460,498
DOMESTIC FIXED INCOME	338,686,443	368,635,792
INTERNATIONAL FIXED INCOME	85,925,230	90,585,955
REAL ESTATE	208,857,485	218,557,672
ALTERNATIVE INVESTMENTS	96,722,579	101,316,753
INVESTED CASH (NOTE 1)	<u>9,040,319</u>	<u>4,421,123</u>
 TOTAL INVESTMENTS	 1,630,799,463	 1,821,572,310
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	8,343,127	7,971,834
CONTRIBUTIONS RECEIVABLE	531,762	8,065,995
MISCELLANEOUS RECEIVABLE	<u>4,370</u>	<u>5,361</u>
 TOTAL RECEIVABLES	 8,879,259	 16,043,190
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	11,254,379	21,349,349
OPERATING CASH (NOTE 3)	10,451,518	11,156,236
FIXED ASSETS (NET OF ACCUM DEPR)	<u>555,989</u>	<u>555,989</u>
 TOTAL ASSETS	 <u>\$ 1,661,940,608</u>	 <u>\$ 1,870,677,074</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	11,254,379	21,349,349
ACCOUNTS PAYABLE	17,191	64,609
ACCRUED EXPENSES	555,266	514,856
CAPITAL LEASE PAYABLE	0	0
INVESTMENT EXPENSES PAYABLE	<u>2,634,849</u>	<u>2,634,849</u>
 TOTAL LIABILITIES	 14,461,685	 24,563,663
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,846,113,411	2,029,777,412
CASH IN DURING YEAR (NOTE 4)	39,560,000	141,658,999
CASH OUT DURING YEAR (NOTE 5)	39,560,000	141,658,999
NET INCREASE (DECREASE)	<u>(198,634,488)</u>	<u>(183,664,001)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,647,478,923</u>	 <u>1,846,113,411</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,661,940,608</u>	 <u>\$ 1,870,677,074</u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 9/30/2008

	Month Ended <u>9-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 3,983,810	\$ 10,029,687
SECURITIES LENDING INCOME	<u>33,249</u>	<u>114,807</u>
	4,017,059	10,144,494
 GAIN ON SALE OF INVESTMENTS	 21,015,203	 50,341,222
LOSS ON SALE OF INVESTMENTS	<u>25,299,041</u>	<u>48,735,190</u>
 NET GAINS (LOSSES) INVESTMENTS	 (4,283,838)	 1,606,032
 INVESTMENT EXPENSES	 271,846	 2,176,279
SECURITIES LENDING EXPENSES	<u>24,773</u>	<u>70,868</u>
 NET INVESTMENT INCOME	 (563,398)	 9,503,379
 NET APPREC (DEPREC) MARKET VALUE	 (137,581,823)	 (183,242,507)
MISCELLANEOUS INCOME/(EXPENSE)	<u>337,343</u>	<u>537,802</u>
 TOTAL INVESTMENT INCOME	 (137,807,878)	 (173,201,326)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 6)	 2,404,128	 3,257,626
PURCHASED SERVICE CREDIT (NOTE 7)	448,120	1,229,252
PENALTY & INTEREST (NOTE 8)	<u>663</u>	<u>1,693</u>
 TOTAL ADDITIONS	 <u>(134,954,967)</u>	 <u>(168,712,755)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 9)	9,443,268	28,457,314
PARTIAL LUMP SUM BENEFITS PAID	34,695	576,203
REFUNDS TO MEMBER (NOTE 10)	<u>165,357</u>	<u>587,282</u>
 TOTAL BENEFITS PAID	 9,643,320	 29,620,799
 ADMINISTRATIVE EXPENSES	 113,674	 300,934
 TOTAL DEDUCTIONS	 <u>9,756,994</u>	 <u>29,921,733</u>
 NET INCREASE (DECREASE)	 <u>\$ (144,711,961)</u>	 <u>\$ (198,634,488)</u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
September 30, 2008

11/4/2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **OPERATING CASH**

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 4 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 7 **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

TEACHERS' FUND FOR RETIREMENT

11/4/2008

Notes to Financial Statements

9/30/2008

NOTE 8 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 9 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 10 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.